

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2005**

	January-05				December-04				September-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
Los Angeles Capital	496,657	2.2%	2.3%	-3.51%	514,651	2.2%	2.3%	10.37%	486,381	2.2%	2.3%	-4.14%	2.09%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>496,657</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-3.51%</b>	<b>514,651</b>	<b>2.2%</b>	<b>2.3%</b>	<b>10.37%</b>	<b>486,381</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-4.14%</b>	<b>2.09%</b>	<b>17.58%</b>	<b>-6.28%</b>	<b>-7.85%</b>
<i>Russell 1000 Growth</i>				-3.33%				9.17%				-5.23%	0.02%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																
<b>LSV</b>	<b>546,273</b>	<b>2.4%</b>	<b>2.3%</b>	<b>-1.46%</b>	<b>554,202</b>	<b>2.4%</b>	<b>2.3%</b>	<b>9.01%</b>	<b>530,410</b>	<b>2.4%</b>	<b>2.3%</b>	<b>3.21%</b>	<b>10.87%</b>	<b>30.56%</b>	<b>9.33%</b>	<b>8.36%</b>
<i>Russell 1000 Value</i>				-1.78%				10.38%				1.54%	10.09%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																
<b>LA Capital</b>	<b>1,057,157</b>	<b>4.6%</b>	<b>4.5%</b>	<b>-2.63%</b>	<b>1,085,559</b>	<b>4.7%</b>	<b>4.5%</b>	<b>9.28%</b>	<b>1,036,138</b>	<b>4.6%</b>	<b>4.5%</b>	<b>-1.68%</b>	<b>4.61%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				-2.52%				9.80%				-1.81%	5.09%	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																
<b>Westridge</b>	<b>1,029,726</b>	<b>4.5%</b>	<b>4.5%</b>	<b>-2.40%</b>	<b>1,054,854</b>	<b>4.6%</b>	<b>4.5%</b>	<b>9.47%</b>	<b>1,006,796</b>	<b>4.5%</b>	<b>4.5%</b>	<b>-1.99%</b>	<b>4.71%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				-2.44%				9.23%				-1.87%	4.58%	N/A	N/A	N/A
<i>Index</i>																
State Street	309,565			-2.44%	317,309			9.23%	303,042			-1.88%	4.55%	19.01%	-0.75%	-2.28%
<b>Total Index</b>	<b>309,565</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-2.44%</b>	<b>317,309</b>	<b>1.4%</b>	<b>1.5%</b>	<b>9.23%</b>	<b>303,042</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-1.88%</b>	<b>4.55%</b>	<b>19.01%</b>	<b>-0.75%</b>	<b>-2.28%</b>
<i>S&amp;P 500</i>				-2.44%				9.23%				-1.87%	4.58%	19.11%	-0.70%	-2.21%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>3,439,379</b>	<b>15.0%</b>	<b>15.0%</b>	<b>-2.49%</b>	<b>3,526,574</b>	<b>15.2%</b>	<b>15.0%</b>	<b>9.45%</b>	<b>3,362,769</b>	<b>15.1%</b>	<b>15.0%</b>	<b>-1.42%</b>	<b>5.21%</b>	<b>21.46%</b>	<b>0.15%</b>	<b>-1.39%</b>
<i>S&amp;P 500</i>				-2.44%				9.23%				-1.87%	4.58%	19.11%	-0.70%	-2.21%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
<b>SEI</b>	<b>1,154,969</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-4.48%</b>	<b>1,208,969</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.79%</b>	<b>1,159,375</b>	<b>5.2%</b>	<b>5.0%</b>	<b>-3.60%</b>	<b>5.70%</b>	<b>32.99%</b>	<b>5.51%</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				-4.01%				14.64%				-2.36%	7.45%	35.99%	7.90%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,154,969</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-4.48%</b>	<b>1,208,969</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.79%</b>	<b>1,159,375</b>	<b>5.2%</b>	<b>5.0%</b>	<b>-3.60%</b>	<b>5.70%</b>	<b>32.99%</b>	<b>5.54%</b>	<b>7.29%</b>
<i>Russell 2000</i>				-4.17%				14.09%				-2.86%	6.21%	33.36%	6.24%	6.63%
<b>CONVERTIBLES</b>																
<b>TCW</b>	<b>2,275,777</b>	<b>9.9%</b>	<b>10.0%</b>	<b>-2.07%</b>	<b>2,339,526</b>	<b>10.1%</b>	<b>10.0%</b>	<b>8.41%</b>	<b>2,232,253</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-4.35%</b>	<b>1.55%</b>	<b>17.50%</b>	<b>1.03%</b>	<b>3.90%</b>
<i>Merrill Lynch All Convertibles</i>				-2.29%				5.37%				-1.05%	1.87%	14.16%	4.89%	5.75%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Active</i>																
Capital Guardian	895,333	3.9%	4.0%	-0.67%	902,597	3.9%	4.0%	10.01%	1,778,848	8.0%	8.0%	-1.77%	7.35%	25.36%	-0.39%	0.54%
LSV	914,234	4.0%	4.0%	0.58%	908,551	3.9%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	4	0.0%	0.0%	N/A	(257)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>1,809,571</b>	<b>7.9%</b>	<b>8.0%</b>	<b>-0.04%</b>	<b>1,810,891</b>	<b>7.8%</b>	<b>8.0%</b>	<b>10.59%</b>	<b>1,778,848</b>	<b>8.0%</b>	<b>8.0%</b>	<b>-1.77%</b>	<b>8.59%</b>	<b>25.36%</b>	<b>-0.39%</b>	<b>0.54%</b>
<i>MSCI EAFE - 50% Hedged</i>				-0.52%				11.11%				-0.72%	9.74%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>																
<b>Lazard</b>	<b>255,796</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.50%</b>	<b>254,605</b>	<b>1.1%</b>	<b>1.0%</b>	<b>16.09%</b>	<b>238,986</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.29%</b>	<b>17.01%</b>	<b>43.30%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				2.20%				16.82%				-0.82%	18.41%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																
<b>Vanguard</b>	<b>250,187</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.92%</b>	<b>247,911</b>	<b>1.1%</b>	<b>1.0%</b>	<b>19.12%</b>	<b>227,049</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.49%</b>	<b>20.81%</b>	<b>44.68%</b>	<b>N/A</b>	<b>N/A</b>
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				2.20%				16.82%				-0.82%	18.41%	47.95%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,315,553</b>	<b>10.1%</b>	<b>10.0%</b>	<b>0.12%</b>	<b>2,313,407</b>	<b>10.0%</b>	<b>10.0%</b>	<b>12.57%</b>	<b>2,244,882</b>	<b>10.1%</b>	<b>10.0%</b>	<b>-1.31%</b>	<b>11.23%</b>	<b>29.16%</b>	<b>1.02%</b>	<b>1.39%</b>
<i>MSCI EAFE - 50% Hedged</i>				-0.52%				11.11%				-0.72%	9.74%	26.98%	-1.27%	-2.14%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
<b>Western Asset</b>	<b>4,067,613</b>	<b>17.8%</b>	<b>16.7%</b>	<b>0.25%</b>	<b>4,055,873</b>	<b>17.5%</b>	<b>16.7%</b>	<b>1.34%</b>	<b>3,929,204</b>	<b>17.6%</b>	<b>16.7%</b>	<b>3.52%</b>	<b>5.17%</b>	<b>2.42%</b>	<b>7.77%</b>	<b>8.10%</b>
<i>Lehman Aggregate</i>				0.63%				0.96%				3.20%	4.84%	0.32%	6.35%	6.95%
<i>Index</i>																
<b>Bank of ND</b>	<b>5,124,849</b>	<b>22.4%</b>	<b>25.0%</b>	<b>0.20%</b>	<b>5,113,946</b>	<b>22.1%</b>	<b>25.0%</b>	<b>0.40%</b>	<b>4,944,668</b>	<b>22.2%</b>	<b>25.0%</b>	<b>2.54%</b>	<b>3.15%</b>	<b>0.07%</b>	<b>7.10%</b>	<b>7.25%</b>
<i>Lehman Intermediate Gov/Credit (1)</i>				0.19%				0.44%				2.71%	3.36%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																
<b>Wells Capital (formerly Strong)</b>	<b>2,303,147</b>	<b>10.1%</b>	<b>8.3%</b>	<b>1.66%</b>	<b>2,281,261</b>	<b>9.9%</b>	<b>8.3%</b>	<b>2.30%</b>	<b>2,202,885</b>	<b>9.9%</b>	<b>8.3%</b>	<b>4.51%</b>	<b>8.69%</b>	<b>1.18%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman US Credit BAA</i>				0.90%				1.69%				4.76%	7.48%	1.96%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>11,495,609</b>	<b>50.2%</b>	<b>50.0%</b>	<b>0.51%</b>	<b>11,451,080</b>	<b>49.5%</b>	<b>50.0%</b>	<b>1.11%</b>	<b>11,076,757</b>	<b>49.7%</b>	<b>50.0%</b>	<b>3.27%</b>	<b>4.94%</b>	<b>0.79%</b>	<b>7.00%</b>	<b>7.45%</b>
<i>Lehman Gov/Credit</i>				0.69%				0.80%				3.56%	5.11%	-0.72%	6.73%	7.10%
<b>CASH EQUIVALENTS</b>																
<b>Bank of ND</b>	<b>2,203,453</b>	<b>9.6%</b>	<b>10.0%</b>	<b>0.22%</b>	<b>2,299,906</b>	<b>9.9%</b>	<b>10.0%</b>	<b>0.53%</b>	<b>2,221,762</b>	<b>10.0%</b>	<b>10.0%</b>	<b>0.44%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.72%</b>	<b>3.39%</b>
<i>90 Day T-Bill</i>				0.17%				0.48%				0.37%	1.02%	0.98%	1.71%	3.30%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>22,884,741</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.54%</b>	<b>23,139,461</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.62%</b>	<b>22,297,799</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.64%</b>	<b>4.73%</b>	<b>9.98%</b>	<b>4.82%</b>	<b>5.23%</b>
<i>POLICY TARGET BENCHMARK</i>				-0.49%				4.14%				1.22%	4.90%	8.00%	4.52%	4.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.